

US EXECUTIVE APPROVAL FORM

Owens Illinois General, Inc.

HQAPP Requests:

1. Please approve upgrade of 500 named user licenses of Oracle Database EE to 10 CPUs. (Note: the purchase of these licenses was transacted in October 2002 and at the time our upgrade policy was based on a list to list calculation which was communicated to the customer)

Deal Summary:

Deal Summary	
Programs	Database EE, Diagnostics & Tuning
License Discount	42.5% (ebiz + 22.5%) – per contract price hold
Support Discount	42.5% (ebiz + 22.5%) – per contract price hold
Price Holds	42.5%- current contractual price hold
List License	\$400,000
List Support	\$ 88,000
Net License	\$ 230,000
Net Support	\$ 50,600
Net Comp & Admin	N/A
Net Total Price	\$280,600
Price List Used	03/24/03

Customer History - Existing Price Holds	
Existing contractual discount (price hold)	42.5% please see the attached doc.
Date of Price List for price hold	October 2002
When does price hold expire?	May 31, 2004
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	Database and options
Name of Agreement if applicable	276348.Owens Illinois General Inc.1.SBBENNET_US - Oct 02 contract attached for reference

Justification:

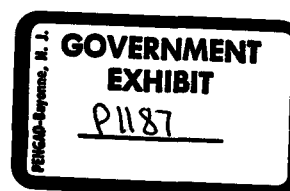
Owens Illinois was told that they could upgrade/convert their named user licenses bought in Oct 2002 to CPU licenses with the 50 to 1 conversion metric based on list-to-list calculation. OI decided to buy a pool of 660 Named users on this conversion assumption due to the early phase of the applications development and rollout.

They have firmed up their production plans and now are ready to migrate to 10 CPUs and keep 160 Named users (from the 660 named user pool) for Development purposes. They will also be adding 10 additional CPUs to the license pool (Q4 transaction referenced in this approval).

Detail:

Owens Illinois (OI) was attempting to estimate the amount of Oracle licensing they would need in May 2002- May 2003, and used four projects estimating the licenses. Those projects were:

- (1) SAP for HR/Payroll
- (2) Workbrain, which is a time and attendance application that would feed summarized hourly timecards to the SAP HR/Payroll system



- (3) Model-N, which is a web-based custom plastics stock bottle catalog
- (4) JD Edwards OneWorld instance for running our machine parts plant in Godfrey, IL centrally from Toledo.

At the time, these four projects were in various stages of "blueprint" in their design and our licensing estimates were best guesses at that point. Based on the estimates, it looked like OI would need approximately \$303,600 of net licenses fees of Oracle (\$370,392 including maintenance). That number along with additional estimates of license growth anticipated for May 2003 - May 2004 were used as the basis for the 42.5% discount that was negotiated with the OPI group last year. Since these numbers were, in fact, estimates, the previous AM, suggested that since the break even point (based on the March 15th, 2002 Oracle Global Price List) for Enterprise named users vs. CPU was 50 per CPU, that OI not complicate the process by guessing at how many named users vs. CPU OI would actually need for each project, but to put the agreement in place for ALL named users and convert those to CPUs (as needed) as each of the 4 projects listed above progressed out of the blueprint phase and into the detailed design phase. OI was told that there was no cost to convert the named users licenses to CPU licenses, which was consistent with our upgrade policy at the time. At the time, the framework for those decisions was that a 4 CPU license carried a list price of \$40,000 and named users were \$800/ea.

We are structuring a Q4 deal with a pool of 20 CPU licenses (10 incremental CPU Q4 transaction – assuming a 10 CPU conversion from 500 named users) and 160 named users. The upgrade is needed to complete the Q4 transaction and also position Oracle for future opportunities at OI. This approval will also prevent any further customer satisfaction issues.

Recommendation:

Approve, but make sure the rep is educated. List to List since licenses were bought on eBiz model is a wash. Position this as a one time only deal and must be done in Q4.

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R: 05/14/03
C: 05/14/03
L: 05/14/03
A: 05/14/03
BP: swong